

## Notes from CMA / Ofcom quarterly meeting, Thursday 10<sup>th</sup> September 2020 via Microsoft Teams.

### 1. Matters arising from the last meeting

None that will not be addressed below.

### 2. Update from Ofcom on the Community Radio Fund

The Community Radio Fund Panel, which is independent from Ofcom in its decision-making, considered applications for emergency funding grants in two stages. In the first round, in May 2020, the Panel awarded 81 grants totalling £333,152. The Panel met to consider a second round of applicants on Thursday 20 August 2020.

The Panel considered each application and awarded funding based on the information provided, and with reference to the Community Radio Fund ('the Fund') guidance notes. For each grant bid, the Panel decided whether to make a full award, a partial award or not to award any funding. In summary:

- 77 applications for grants were considered;
- the funding requested by applicants totalled £355,091
- the total amount available was £73,658;
- 31 applicants were awarded grants totalling £73,658;
- the grants ranged from £500 to £5,088, with an average of £2,376.

The Panel awarded as many grants as possible in accordance with the strict eligibility criteria and guidance issued.

A statement from the Panel explaining the factors they took into account when making their decisions is available on the [Ofcom website](#).

26 grants out of 31 have been paid to date. 1-2 will be settled in the next few days. Ofcom is still waiting for information from the remaining licensees.

The Broadcast Licensing Team received help and support from other internal departments at Ofcom – it was a real team effort to turn around the grants so quickly. Usually about 16-17 grants are awarded each round but there were 81 grants in the first Round and 31 in the second.

Ofcom is moving more of its paperwork to electronic platforms such as Adobe Sign which is a cloud-based e-signature service that allows the user to send, sign, track, and manage signature processes using a browser or mobile device. This is a much improved user-friendly platform and only one application was rejected in the Second Round due to the wrong information submitted.

One Second Round awardee had raised the issue of being notified on a Thursday evening that his award was successful but then being informed the next morning that his award amounted only to less than one thousand pounds. The awardee felt that his hopes had been raised only to be

disappointed the next day and he would have preferred to just have received the one notification email informing him of the amount of the grant.

Ofcom advised that they send out two emails to try to be as helpful as possible and to let applicants know of success or failure as soon as possible. The first email is sent as a courtesy and confirms that the correct email address is being used. The second email contains the grant agreement to be signed using Adobe Sign. Ofcom is continually improving its systems and will take on board the feedback received.

In recent months, the CMA has assisted DCMS with conducting some research into the efficacy of the Community Radio Fund and this research will feed into a submission to the forthcoming Comprehensive Spending Review.

### **3. Key Commitments and Force Majeure Research**

At Ofcom's request, the CMA conducted some research into how the COVID-19 crisis has impacted on community radio stations' delivery of Key Commitments.

Due to the significant challenges that broadcasters have faced due to the COVID-19 (coronavirus) pandemic, Ofcom has recognised that these extraordinary circumstances will have a prolonged impact on broadcast schedules and production.

Where broadcasters have been genuinely unable to meet the programming and production requirements set out in their licence, because of the disruption due to the coronavirus, Ofcom has invoked the *force majeure* condition in the broadcast licence and licensees will not be liable to enforcement action as a result.

The current approach to enforcement is in place until the end of 2020 and Ofcom will review the position again at the end of the calendar year in accordance with the published procedures.

As of 4th August 2020, Ofcom has received since April:

a) Notifications from 44 different stations informing Ofcom that they were unable to meet their Key Commitments (KCs) or needed to implement revised programming or schedules since the start of the coronavirus outbreak.

b) Nine complaints with regard to community radio services not meeting their KCs. The information on all complaints that Ofcom receives is published on the website at <https://www.ofcom.org.uk/about-ofcom/latest/bulletins/broadcast-bulletins>

It should also be noted that Ofcom has also received various updates from community radio services describing the measures they have adopted to continue broadcasting, whilst other stations have contacted Ofcom (especially in the early days of the lockdown) to seek advice. In the latter case, Ofcom has signposted enquirers to their '[Broadcast standards during the coronavirus pandemic](#)'.

The CMA undertook a survey to gauge the difficulties that community radio broadcasters have faced in keeping up their broadcast commitments and meeting their Key Commitments. The survey questions were devised in collaboration with a number of respected voices in the community radio

sector including some members of the CMA Council, the elected Board of Trustees of the Community Media Association

From the week commencing 27th July, the CMA circulated details of an online survey in order to capture a wide range of views. The CMA received 50 responses submitted to the online survey. An anonymised and redacted version of the results may be downloaded [here](#).

Ofcom will take forward the results of the CMA's research and present them to a couple of internal Ofcom workshops to be held at the end of September to inform the formulation of a policy on *force majeure* for all broadcasters.

#### **4. Community Radio Licence renewals**

The CMA raised the issue of a CMA member whose licence expires shortly who has been waiting for notification of the renewal for many months. The CMA has written a letter to Dame Melanie Dawes, Ofcom CEO, to highlight their case.

It was explained that community radio cannot operate on a 'just in time' basis and timely confirmation of licence renewal is essential for business continuity, existing funding arrangements, prospective funding applications, advertising contracts, rent agreements, managing volunteers, training provision, and so on.

Ofcom is aware of the issue and understands the challenges that community radio operators face. The resources of the Broadcast Licensing Team have been particularly stretched in the last 6 months with the demands of COVID-19, the two emergency Community Radio Fund rounds, the temporary emergency and drive-in RSLs, and the roll-out of small-scale DAB.

The Team has finite resources and they do not deal only with community radio. The Team has managed to turn around all licence renewals within the statutory deadline but they will try to improve things and speed up licence renewals as the pandemic situation improves.

#### **5. Analogue radio licensing – discussion**

Coverage improvements and extensions for analogue community radio are still open and will be for the foreseeable future.

Future rounds of analogue licensing remain closed for the foreseeable future and no date can be given as to when a new round might be considered. Small-scale DAB is the overriding priority of Ofcom and nobody can envisage how successful or unsuccessful that will be. For example, if there was very minimal interest in SSDAB then that would free up a lot of Ofcom resource – conversely if there was overwhelming interest in the platform then that would consume much of Ofcom's resources.

However, SSDAB is expected to generate a significant amount of work and the platform will be prioritised for a number of reasons – such as addressing frequency scarcity in a number of urban locations.

Ofcom has a duty to manage spectrum effectively and efficiently and so if Ofcom staff believe that they have the capacity to license an analogue round then that could be considered to be run concurrently with future rounds or 5 of SSADB licensing.

## **6. Update from Ofcom on Small-Scale DAB licensing**

The invitation to apply for a small-scale radio multiplex or digital sound programme service licence in the [first 25 areas](#) was announced on 1<sup>st</sup> September. This round will be open for 12 weeks – until 23<sup>rd</sup> November 2020.

It's very early days for the whole process and a number of procedures are still being developed and finalised. Ofcom gauged the interest in inviting applications by contacting those who had submitted an EOI to determine their readiness.

The indicative timetable for licensing SSDAB is currently four years in total. However, of course, COVID-19 could adversely impact that. Ofcom plans to licence SSDAB as fast as possible. Nobody knows how popular it will be. However SSDAB represents an opportunity for smaller analogue broadcasters to access digital broadcasting at a cheaper rate than at present.

The CMA advised that DAB is not always seen as very relevant to a number of communities – particularly lower income communities. In the highly unlikely event that Ofcom receives very few applications for SSDAB licences then their plans for licensing SSDAB would be revisited.

Application forms for applying for a multiplex operators' licence or for a broadcast service licence can be found on Ofcom's website [here](#).

Ofcom is inviting anyone who intends to apply for small-scale DAB multiplex or Community Digital Sound Programme (C-DSP) licences to two virtual events on 29 **September 2020**.

There will be two sessions designed to provide information for applicants on the different types of licences available and details of how they can apply:

**Small-scale DAB C-DSP licences: what they are and how to apply for a licence**

29 September 2020, 10.30-12.00

**Small-scale DAB multiplex licences: what they are and how to apply for a licence**

29 September 2020, 14.00-16.00

To express your interest in attending one or both of the online sessions, please send an email to [smallscaleDAB@ofcom.org.uk](mailto:smallscaleDAB@ofcom.org.uk) with the title 'Event C-DSP', 'Event Multiplex' or 'Event both' by **Monday 14 September**.

Places at both events are limited and Ofcom requests that only those who intend to apply for licences in first round locations register.

This first round of licensing SSDAB closes at the end of November around Monday 23<sup>rd</sup> November, 12 weeks after the opening date. The dates for this round were selected on the basis of when the majority of those in the Round 1 areas advised when they would be able to proceed with an

application. Ofcom had concern that the circumstances for those who had submitted EOIs could change the longer the delay.

Ofcom wishes to impress on the sector that there is only one chance to apply for a multiplex licence per region and if the opportunity is missed then there will be no second chance offered. Ofcom encourages all applicants to attend the stakeholder sessions as if the stakeholders' sessions are missed then that could increase the risk that an application may fail.

All applicants are urged to complete the licence application forms completely and to read the guidance notes thoroughly. Applicants are encouraged to "make life easy" for the application assessors who will not have the time or resources to chase applicants for extra information. Part A of the licence application forms will be made public – this section is the main part and addresses the statutory licence criteria.

Applicants are urged to view the process as not being in competition with other applicants in the area but to pitch their application in competition with the statutory criteria. Applications will be assessed on face value and will not be granted for a different licence product.

It has not yet been decided if holders of an analogue community radio licence and a C-DSP (community digital sound programme) licence will have to submit one or two Annual Reports. Licensees will be able to hold multiple C-DSPs for other services in their area e.g. 80's, Greatest Hits, Gold etc, but the studio has to be in the coverage area. A DSP licence is portable and can be deployed anywhere.

## **7. Supplementary questions from the sector**

**I have received several prompts from Ofcom such as the email received on 20th August below. Somer Valley FM is up to date with reporting requirements for the annual report for 2019. I am confused as to what this is about and they have not responded to my email asking them about it sent on 14th August. I've tried calling Ofcom about this and the person I spoke to said that the department I needed were rarely in and could not give me the name of the person to speak to. Other community radio stations have reported receiving the same message.**

The Radio data Submission for Radio Relevant Turnover Return is required for those stations that hold a DSP licence. This is part of Ofcom's annual commercial radio data collection, which is separate from the Community Radio Finance Report data collection process. The Radio Relevant Turnover Return user guide may be downloaded from [here](#).

The Radio Relevant Turnover Return requests are sent out by an automated system to all DSP licensees, some of which also hold a Community Radio licence. As outlined in the Radio Relevant Turnover Return user guide, where a licensee also holds a Community Radio licence they are required to submit a nil return for their DSP licence. This is because their data has already been submitted in the Community Radio Finance Report and we do not need to duplicate it.

The procedure has not changed for the Radio Relevant Turnover Return, but some stakeholders may not have had to complete it before because of the date at which they obtained their DSP licence. As you may be aware, we have changed the process for the Community Radio Finance Report, so this may have impacted a few licensees.

Ofcom would like to reassure licensees that they will be contacted about non-submission of returns before any enforcement action is commenced, and would recommend that they contact [radiomid@ofcom.org.uk](mailto:radiomid@ofcom.org.uk) about any issues regarding the Radio Relevant Turnover Return.

The Broadcast Licensing Team will be speaking to the MID team, who manage these requests, about those licensees who have not completed their return, and will consider how best to contact community radio stations in particular about this. Ofcom will not be able to contact community radio stations before the deadline has passed, but any licensee with outstanding queries should direct them to [radiomid@ofcom.org.uk](mailto:radiomid@ofcom.org.uk) and [broadcast.licensing@ofcom.org.uk](mailto:broadcast.licensing@ofcom.org.uk).

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**Hi, we would like to know how Leeds and Bradford are in round 1 for SSDAB when Leeds has a few community stations serving Leeds and Bradford also have a few community stations serving Bradford. Wakefield, however, is a growing city and has no local radio station as from the 1st of September the local station for Wakefield - Ridings FM changes to Greatest Hits Radio, we believe Wakefield needs a local community station and Rhubarb Radio can confidently provide the radio service it needs if given the chance to bring a SSDAB to the area.**

Ofcom notes the interest expressed here for a community radio licence in Wakefield. The Round One areas invited to apply for a licence were selected on the basis of criteria published in Ofcom's [statement on licensing small scale DAB](#) released in April. These criteria include:

- a) The level of likely demand from service providers based on expressions of interest received;
- b) The desirability of ensuring a broad geographical spread across the UK in early licence awards;
- c) Population size (i.e. prioritising areas where the greatest numbers of consumers stand to benefit from new-small-scale radio multiplex services);
- d) Spectrum availability and management considerations;
- e) Prioritising trial multiplex areas, noting that trial licences are due to expire in early 2020 and it would not be optimal for consumers receiving services via trial multiplexes to experience a loss of service;
- f) Prioritising areas with full local radio multiplex services ahead of those where existing local radio multiplex services currently have vacant capacity; and

g) Managing the workload involved in licensing significant numbers of small-scale radio multiplex services (and associated C-DSPs given applications will open alongside those for small-scale radio multiplex licences) within the resources available to Ofcom.

Ofcom encourages all prospective radio licence applicants to sign up for the [email updates](#) which are published regularly.

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**For SSDAB, Ofcom is using a proprietary frequency planning algorithm. The software developers will not release their algorithm and want £20k+ for the software and the datasets that Ofcom is using. Ofcom has said in the invitation for SSDAB applications that unless the applicant produces planning maps that fit their own ones identically then they will reject your application – which you cannot do unless you have £20k to spend on one of the chosen software manufacturer’s closed algorithms. Other software developers therefore cannot match this. I believe that this could make the frequency planning aspect of applying for an SSDAB licence unfair as this means that applicants will be forced to use/hire/access a proprietary and very expensive piece of software that only the larger companies can afford.**

Ofcom does not recognise that they have said that applicants’ frequency planning calculations must match theirs exactly. Ofcom recognises that not all licence applicants will have access to the same professional planning tool. However, there is an ongoing discussion with the software publishers about widening access to their platform. But the choice of frequency planning software should not be a barrier to any applicant who will not be excluded from the licence application process on the grounds of being able to afford potentially costly proprietary software. In any case, there are not huge differences between the different software applications that are used.

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**Community radio licensees are required to complete an online form every year for the Annual Report - it used to be a spreadsheet. However, as the Annual Report is now submitted online, the station does not get a copy of the form that is sent. Is it possible for the system to be set-up to send stations a copy of their submitted Annual Report?**

Anyone can email Ofcom for a copy of their Annual Report which will be sent to them. However this takes some time to turn around as it is currently a manual process. Ofcom has taken on board this feedback and will look into adapting their platform to send a copy of the submitted Annual Report back to the submitter.

## **8. Update from the CMA and the Radio Hub**

The CMA Conference has been postponed until summer 2021. The CMA has an online SSDAB seminar to be delivered on Friday 11<sup>th</sup> September.

The Radio Hub is planning to next meet in spring 2021 and has had great success in distributing radio receivers to the vulnerable and isolated during the COVID-19 (coronavirus) pandemic.